



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Memorandum

Subject: **ACTION:** Increased Procurement Authority
Based on Contingency Operations

Date: SEP 8 2005

From: 
David J. Litman
Senior Procurement Executive

Reply to
Attn. of:

To: Procurement Management Council Members

In the aftermath of Hurricane Katrina, the Secretary of Defense and the Secretary of Homeland Security determined that existing circumstances warrant the exercise of special procurement authority in accordance with 41 USC § 428a for purchases with a clear and direct relationship to the support of the current national emergency. As a result of this declaration, the emergency procurement authorities authorized by section 1443 of the Services Acquisition Reform Act of 2003 (Title XIV of Pub. Law 108-136), codified at 41 U.S.C. § 428a, are available. Therefore, pursuant to the authorities in 41 U.S.C. § 428a, and as implemented in the Federal Acquisition Regulation, the following authorities apply for contingency operations:

- The Micro-purchase threshold as defined in FAR 2.101 is raised to \$15,000 (except for construction, which remains at \$2,000).
- The Simplified Acquisition Threshold is raised to \$250,000.
- The Simplified Acquisition Threshold for acquisitions under the Test Program for Certain Commercial Items is raised to \$10 million.
- The FAR 19.502-1 requirements for setting aside acquisitions do not apply to purchases of \$15,000 or less.
- The threshold for application of clauses FAR 52.225-1, Buy American Act-Supplies and FAR 52.225-13, Restrictions on Certain Foreign Purchases is \$15,000 (see FAR 25.1101 and 1103).

Purchases using these procurement authorities must have a clear and direct relationship to the support of the current national emergency. Consequently, determination(s) are to be made in writing by a brief memorandum to the contract file specifying the product or service being procured and its relationship to support the response to Hurricane Katrina.

Contracting Officers using these increased authorities must ensure their Certificate of Appointment covers the threshold amount. Otherwise, an increase in the warranted amount must be made by the appointing official.

Remember, other existing laws and regulations provide considerable flexibility for acquisitions that support urgent situations and contingency operations. Some of these flexibilities are the Schedules program, the Governmentwide Acquisition Contracts program, letter contracts, multiple award indefinite delivery indefinite quantity (IDIQ) contracts, single award IDIQ contracts, and purchase cards. Also, a combined synopsis and solicitation can be used to reduce the time required to solicit and award contracts for commercial items. FAR Part 6 continues to provide the authority to limit competition when the need arises, but be mindful of the additional justification and approval thresholds identified at FAR 13.501 (a).

You are encouraged to continue to use small businesses where practicable to meet emergency requirements and to obtain meaningful competition where practicable, even if circumstances require limiting competition to a limited number of sources.

If you have any questions, please contact Elaine Wheeler, (202) 366-4272 or email at elaine.wheeler@dot.gov.